

Article - Natural Resources

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§3–118.

(a) The Service may fix, revise, charge, and collect rentals, rates, fees or other charges for the use of or for the services or products furnished by any project or projects, including projects within a service district, contract with any person or municipality desiring the use of the services or products, or any part of any project or projects, and fix the terms, conditions, rentals, rates, fees, and charges therefor. The rentals and other rates, fees and charges designated as security for any bonds or notes issued under this subtitle shall be fixed and adjusted in respect of the aggregate thereof from the projects under the control of the Service as to provide funds sufficient with other revenues, if any, (1) to pay the cost of maintaining, repairing, and operating any project or projects financed in whole or in part by outstanding bonds or notes, to the extent the cost is not otherwise provided, (2) to pay the principal of and the interest on the bonds or notes as they become due and payable, (3) to create reserves for those purposes, and (4) to provide funds for paying the cost of renewals or replacements, the cost of acquiring or installing equipment, and the cost of enlarging, extending, reconstructing, or improving any project or projects. The rentals, rates, fees, and charges are not subject to supervision or regulation by any unit of the State government or any political subdivision, except as provided in § 3–128 of this subtitle.

(b) The rentals, rates, fees, and other charges and revenues, or any part thereof, whether derived from the project or projects in connection with which the bonds or notes of any issue have been issued or from other projects, designated as security for the bonds or notes by the authorizing resolution or in the trust agreement securing the bonds or notes, shall be set aside at the regular intervals provided in the resolution or trust agreement in a sinking fund pledged to, and charged with, the payment of (1) the interest on the bonds or notes as it falls due, (2) the principal of the bonds or notes as it falls due, (3) the necessary charges of the trustee and other agents appointed by the trust agreement, and (4) the redemption price or purchase price of bonds or notes retired by call or purchase as provided in the resolution or trust agreement. Any amounts set aside in the sinking fund which are not needed to provide for the payment of items (1), (2), (3), and (4) may be used for any other lawful purpose to the extent provided in the resolution or trust agreement. The pledge is valid and binding from the time it is made. The rentals, rates, fees, and other charges, revenues or other money pledged and thereafter received by the Service immediately shall be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of the pledge is valid and binding as against all parties having any claims of any kind in tort, contract, or otherwise against the Service, irrespective of whether the parties have notice thereof. Neither the resolution nor any

trust agreement by which a pledge is created need be filed or recorded except in the records of the Service, any public general or public local law to the contrary notwithstanding. The use and disposition of money to the credit of the sinking fund are subject to the provisions of the resolution authorizing the issuance of the bonds or notes or of the trust agreement.

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